

March 3, 2006

«FirstName» «LastName»
«JobTitle»
«Company»
«Address1»
«Address2»
«City», «State» «PostalCode»

Dear «FirstName»:

Thank you for your interest in the City of San Jose's Deferred Compensation Plan.

The City of San Jose (City) is requesting proposals from deferred compensation plan providers (Providers) for a bundled plan for the City's 457 Deferred Compensation Plans. A joint labor / management Deferred Compensation Advisory Committee ("DCAC") administers the City's Deferred Compensation Program. The DCAC is not soliciting proposals from brokers.

Currently, the City offers participants various investment options offered through two (2) providers, ICMA Retirement Corporation and ING Financial Services. Total assets are currently approximately \$480 million. The assets are comprised of 7,350 accounts and about 67% of 6,000 employees eligible for the City's defined benefit retirement plan participate in the deferred compensation plan.

The City of San Jose employs approximately 2,400 part-time, temporary and contract (PTC) personnel. The mandatory, in-lieu of Social Security, PTC 457 Plan currently has 3,145 active and inactive accounts with over \$7 million in assets. Participants in this plan are currently offered the ICMA Plus Fund (stable value) only.

Accompanying this cover letter, you will find an Information & Summary document, the request for proposals (RFP) document and a number of related exhibits. Please be sure to review all documents to ensure that your final proposal is complete.

Submission Instructions

Download the RFP from the City of San Jose's BidLine at www.sanjoseca.gov/Purchasing/Purch.htm or from the website of the City's consultant,

SST Benefits Consulting, www.sstbenefits.com. In BidLine, click on “Services, Supplies and Equipment” in the far left column. Look for “RFP-DC06”. From the home page of the SST website, click on RFPs in the left column, then click “City of San Jose 457 Deferred Compensation RFP”. The Log On name is “San Jose” and the password is “2006”.

One original (with original signatures) and eight (8) copies of your written proposal in three-ring binders must be received at the City address below by **4:00 P.M. on Thursday, April 13, 2006**. Proposals received after this date (even if they are postmarked before 4:00 P.M., April 13, 2006) will not be considered.

Proposals should be mailed, postage pre-paid, sent by delivery services, or personally delivered to the following address. Faxed proposals will not be accepted.

Jay Castellano, Benefits Manager
City of San Jose
City Hall, Council Wing, 2nd Floor
200 East Santa Clara Street
San Jose, CA 95113-1905

Two (2) additional copies of your written proposal must be simultaneously sent to:

Bill Tugaw, Consultant
SST Benefits Consulting
4966 El Camino Real, Suite 200
Los Altos, CA 94022

One (1) additional copy of your written proposal must be simultaneously sent to:

Paul Hackleman, Consultant
IC Benefits Consulting
232 Stanley Road
Burlingame, CA 94010-2844

In addition to the hardcopy written proposal, respondents must transmit an electronic version of the RFP response grids also by 4:00 P.M. on Thursday, April 13, 2006, to both Jay Castellano at jcastellano@sanjoseca.gov and Bill Tugaw at billtugaw@sstbenefits.com.

The City reserves the right to accept or reject any and all proposals or any items or groups of items offered in response to this RFP. The City reserves the right to negotiate the terms and conditions of the agreement. Please do not contact any member of the DCAC or any employee or officer of the City regarding this RFP. Contacting any employee or officer of the City may result in disqualification. The City has retained the services of SST Benefits Consulting as the RFP contact.

Addenda, Questions & Additional Information

All requests for information and / or clarification should be submitted via email by Friday, March 24, 2006, to:

Bill Tugaw, Consultant
SST Benefits Consulting
billtugaw@sstbenefits.com

To the extent that an addendum or other additional information is deemed appropriate for release, the City's and SST Benefits' websites will be updated by Tuesday, April 4, 2006, 10 days before the submission deadline. It is the responsibility of the proposers to check the websites on April 4, 2006, to ensure that their proposals are complete.

We look forward to your proposal and working with you through the RFP process.

Sincerely,

Jay Castellano
Benefits Manager

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